

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7846**

**BILL NUMBER: HB 1652**

**NOTE PREPARED: Jan 13, 2007**

**BILL AMENDED:**

**SUBJECT:** Local Engineering Assistance Fund.

**FIRST AUTHOR:** Rep. Dembowski

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the Local Engineering Assistance Fund (LEAF) and makes appropriations from the Motor Vehicle Highway Account (MVHA) for grant-in-aid subsidies for the following:

- (1) Counties for the salaries of full-time county highway engineers;
- (2) Counties for the salaries of county highway supervisors who attain specified educational achievements with respect to the Road Scholar Program;
- (3) Municipalities for the salaries of municipal engineers who are registered professional engineers;
- (4) Municipalities for the salaries of individuals who have primary responsibility for road and street maintenance and attain specified educational achievements with respect to the Road Scholar Program;
- (5) Eliminates the County Highway Engineer Fund, and transfers any remaining money from the Fund to the County Highway Engineers Account of the LEAF;
- (6) Provides that the Research and Highway Extension Program (also known as the Local Technical Assistance Program or LTAP) is separate and independent from the Joint Transportation Research Project (originally known as the Joint Highway Research Project).

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Local Engineering:* This bill appropriates \$7.03 M annually from the Motor Vehicle Highway Account (MVHA) to the Local Engineering Assistance Fund (LEAF) for distribution to counties and cities for grants-in-aid. Following is a table which shows the positions involved, the amounts of the appropriations, the accounts to which the appropriations are made, timing of the appropriations, and the amounts of the grants-in-aid which are available.

<b>Annual Appropriations from MVHA to Local Engineering Assistance Fund.</b>				
<b>Position</b>	<b>Approp.</b>	<b>Account</b>	<b>Timing</b>	<b>Grant-in-Aid</b>
County Engineers	\$3.22 M	County Highway Engineers	April	\$35,000*
County Highway Supervisors	\$1.38 M	County Highway Supervisors	April	\$15,000**
County Total	\$4.60 M			
City Traffic Engineers	\$1.05 M	Municipal Engineers	September	\$35,000
Municipal Street Supervisors	\$1.38 M	Municipal Street Supervisors	September	\$15,000***
City Total	\$2.43 M			
Total MVHA Appropriation	\$7.03 M			
* \$17,500 if an engineer is employed two counties jointly. ** \$7,500 if a county supervisor has attained the designation of road builder in the Road Scholar Program. *** \$7,500 if the municipal street supervisor has attained the designation of road builder in the Road Scholar Program.				

The dollar amounts in the table, above, correspond to the dollar amounts for January 2007. All amounts are to be annually adjusted by the Consumer Price Index for years after 2007.

Any balances in the County Highway Engineer Account and the County Highway Supervisor Account are to be returned to the counties' share of the MVHA to be distributed in January of the next year. Any balances in the Municipal Engineers Account and the Municipal Street Supervisors Account at the end of the year are to be distributed to all cities and towns based on a formula contained in the proposal.

The bill also eliminates the County Highway Engineer Fund (CHEF), and transfers any remaining money in the CHEF to the County Highway Engineers Account of the LEAF. Appropriations to the CHEF have amounted to about \$872,000 annually over the last five fiscal years.

While the total amount of MVHA funds to be distributed to counties and cities will not change, this proposal will designate part of the distribution for specific purposes. Consequently, there may be a shift in the distributions between units, depending upon the counties and cities that employ these people. Below is a table which shows the appropriations from the MVHA to counties, cities, and towns for the last four fiscal years.

Unit	FY 2003	FY 2004	FY 2005	FY 2006
County	\$183.2 M	\$209.5 M	\$209.3 M	\$204.1 M
Cities and Towns	\$ 86.3 M	\$ 98.7 M	\$ 98.5 M	\$96.1 M
Total	\$269.5 M	\$308.2 M	\$307.8 M	\$300.2 M

**State Agencies Affected:** State Auditor.

**Local Agencies Affected:** Those counties and cities and eligible towns who qualify for the grants-in-aid.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.